

**FILED**

MAY 01 2015

SECRETARY, BOARD OF  
OIL, GAS & MINING

**BEFORE THE BOARD OF OIL, GAS AND MINING  
DEPARTMENT OF NATURAL RESOURCES  
STATE OF UTAH**

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF BILL BARRETT CORPORATION FOR AN ORDER POOLING ALL INTERESTS, INCLUDING THE COMPULSORY POOLING OF THE INTERESTS OF CERTAIN NON-CONSENTING OR UNLOCATABLE OWNERS, IN SPECIAL DRILLING UNIT #27, ESTABLISHED FOR THE PRODUCTION OF OIL, GAS AND ASSOCIATED HYDROCARBONS FROM THE LOWER GREEN RIVER-WASATCH FORMATIONS, COMPRISED OF LOTS 6-9 OF SECTION 27 AND LOT 2 OF SECTION 34, TOWNSHIP 6 SOUTH, RANGE 19 EAST, SLM, AND LOT 1, S $\frac{1}{2}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$ , W $\frac{1}{2}$ NE $\frac{1}{4}$  AND SE $\frac{1}{4}$ NE $\frac{1}{4}$  OF SECTION 33 AND LOTS 1-3 OF SECTION 34, TOWNSHIP 2 SOUTH, RANGE 2 EAST, USM, UINTAH COUNTY, UTAH

**MOTION FOR LEAVE TO  
SUBSTITUTE AND REPLACE  
EXHIBIT "S"**

Docket No. 2015-018

Cause No. 139-132

COMES NOW, Bill Barrett Corporation ("BBC"), acting by and through its attorneys, MacDonald & Miller Mineral Legal Services, PLLC, and pursuant to Utah Admin. Code Rule R641-105-300, and hereby requests the Board of Oil, Gas and Mining (the "Board") for leave to substitute and replace Exhibit "S" filed as part of BBC's Exhibits on April 27, 2015, with the Replacement Exhibit "S" attached hereto and by this reference incorporated herein. Exhibit "S" reflects the calculation of the average weighted fee landowner's royalty in Special Drilling Unit #27. Since the Request for

Agency Action and original Exhibit "S" were filed, Jerry L. Brown, as Successor Administrator of the Estate of Charles E. Ackerman, one of the parties for which compulsory pooling was sought in this Cause, leased its interest within Special Drilling Unit #27 to BBC, thereby rendering the need to compulsory pool its interest moot. The royalty under that lease (1/6) requires an upward adjustment of the average weighted fee landowner's royalty in the Special Drilling Unit, which is reflected in the attached Replacement Exhibit "S."

Exhibits filed later than 30 days before the scheduled hearing date may be allowed by the Board upon good cause shown (*see* Utah Admin. Code Rule R641-105-500). The hearing on this matter is scheduled for Wednesday, May 27, 2015. At this time, there are no adverse parties or any other parties that have made an appearance in this matter. As a consequence, and for the reasons outlined above, BBC respectfully requests this Motion for Leave be granted and the attached Replacement Exhibit "S" be substituted for and replace the original of said Exhibit currently on file in this Cause.

Respectfully submitted this 1<sup>st</sup> day of May, 2015.

**MACDONALD & MILLER  
MINERAL LEGAL SERVICES, PLLC**

By: 

Frederick M. MacDonald, Esq.

Attorneys for Petitioner Bill Barrett Corporation

**REVISED EXHIBIT "S"**  
**Drilling Unit #27 Average Weighted Fee Royalty Calculations**  
*(Ackerman now leased at 1/6)*

<u>Tracts</u>			
Tract	Land Description	Acreage	
1	<u>T6S, R19E</u> Sec. 27: Lots 6-9 Sec. 34: Lot 2	93.82	(Federally owned; not included in AWR)
2	<u>T2S, R2E</u> Sec. 33: E½NW¼ and S½	400	Fee
3	<u>T2S, R2E</u> Sec. 33: SE¼NE¼, W½NE¼ Sec. 34: Lots 1-3	198.28	Fee
4	<u>T2S, R2E</u> Sec 33: Lot 1	32.65	Fee
	<b>Total Acreage =</b>	<b>724.75</b>	
	<b>(less Tract 1)</b>	<b>&lt;93.82&gt;</b>	
		<b>630.93</b>	
	<b>(less BBC fee with no applicable royalty)</b>		
2	<b>7.407407% x 400 =</b>	<b>&lt;29.63&gt;</b>	
4	<b>0.004199% x 32.65 =</b>	<b>&lt;0.0013&gt;</b>	negligible
	<b>Applicable Total Acreage =</b>	<b>601.30</b>	
<b><u>Original Tract Participation Factor</u></b>			
<b>Tract</b>	<b>% Leased x Acreage =</b>	<b>Original TPF</b>	
2	100% x (400 - 29.63)/601.30 =	61.594878%	
3	100% x 198.28/601.30 =	32.975220%	

4	[(100% - [2 x 10%/4 x 0.010497%] (Keefer/B. Jones) - 0.005248% (Cook Trust) - 0.004199% (Mrs. W.E. Block) - [1/3 x 1/5 x 0.001049%] (John Janssen) - [2/9 x 1/5 x 0.001049%] (Robert and Aaron Janssen) - [2/4 x 1/5 x 0.001049%] (Bradley and Brian Sholl))] x 32.65/601.30 =	5.426527%	(revised to delete deduction related to Ackerman interest)
	<b>Total =</b>	<b>99.996625%</b>	
<b><u>Equalized Tract Participation Factor</u></b>			
<b>Tract</b>		<b>Equalized TPF</b>	
2	61.594878%/99.996625% =	61.596957%	
3	32.975220%/99.996625% =	32.976333%	
4	5.426527%/99.996625% =	5.426710%	
	<b>Total =</b>	<b>100%</b>	
<b><u>Equalized Average Weighted Fee Royalty</u></b>			
<b>Tract</b>	<b>Mineral Ownership x Royalty Rate x Equalized TPF =</b>	<b>Weighted Royalty</b>	
2	20% x 22.222222% x 61.596957% = 1/6 x 70.370371% x 61.596957% =	2.737643% 7.224335%	
3	20% x 16.666667% x 32.976333% = 3/16 x 15.625% x 32.976333% = 1/6 x 11.458333% x 32.976333% = 14% x 50% x 32.976333% = 1/8 x 6.25% x 32.976333% =	1.099211% 0.966104% 0.629756% 2.308343% 0.257628%	
4	3/16 x 20.899703% x 5.426710% = 17% x 0.524846% x 5.426710% = 1/6 x (19.883641% + 0.010497%) x 5.426710% = 14% x 50% x 5.426710% = 1/8 x 8.666921% x 5.426710% =	0.212656% 0.004842% 0.179933% 0.379870% 0.058791%	Revised to include Ackerman interest now leased; also includes interests with royalty under JOA's
	<b>AVERAGE FEE WEIGHTED ROYALTY =</b>	<b>16.059112%</b>	

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**ORDER GRANTING LEAVE TO  
SUBSTITUTE AND REPLACE  
EXHIBIT "S"**

Docket No. 2015-018

Cause No. 139-132

The Board of Oil, Gas and Mining, having fully considered Bill Barrett Corporation's Motion for Leave to Substitute and Replace Exhibit filed on May 1, 2015, and finding good cause therefore, hereby grants said Motion and authorizes the substitution and replacement of the Replacement Exhibit "S" attached to the Motion for the original of said Exhibit currently on file in this Cause.

For all purposes, the Chairman's signature on a faxed copy of this Order shall be deemed the equivalent of a signed original.

DATED this \_\_\_\_ day of May, 2015.

**STATE OF UTAH  
BOARD OF OIL, GAS AND MINING**

By: \_\_\_\_\_  
Ruland J. Gill, Jr., Chairman

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